

Employee Benefit Consultants

The Administrator

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Important news and updates from your benefits professional

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E B C

Experts.

Making it Easier.

Feature Story

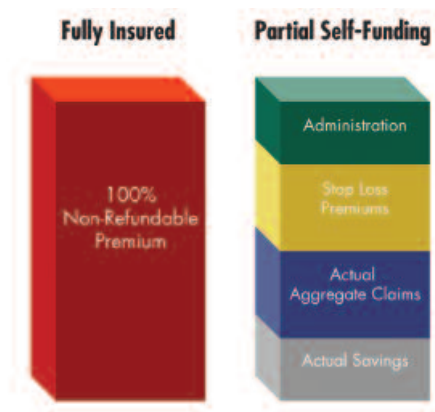
All TPAs Pay Claims. We Help Prevent Them.

Managing self-funded health benefit plans is our business. Because we work with self-funded clients every day, we often take for granted the advantages it can offer. In contrast to fully insured plans, where premiums are non-refundable, a self-funded plan offers the opportunity for savings. The graphic featured below illustrates the savings that can be achieved when claims are at or below anticipated maximum levels.

Other significant advantages of self-funding are...

- The flexibility to customize a plan design to meet specific needs
- Information obtained throughout the claims management process
- Our ability to manage the risks and future costs of health care

The Opportunity To Reduce Costs



This graphic illustrates that the maximum cost of a self-funded plan is the sum of administrative expenses, stop-loss premiums and the maximum claims before stop-loss insurance reimbursements are made. A savings can be achieved when claims are at or below maximum levels.

When we manage a self-funded plan, we can generate information that will help identify the specific needs of the covered group and the factors driving health plan costs higher. Strategies such as health assessments, chronic disease management and personal health care coaching can address health factors and in many cases, help a plan prevent future costly claims.

Contact Us To Learn More About Self-Funding

Employee Benefit Consultants can assist you with every aspect of self-funding - effective plan administration, transparent pricing and increased flexibility through plan design. To learn more about self-funded health benefits and how this approach might compare to your existing health benefit plan, contact Tim Hussey, Senior Vice President of Sales and Marketing at (414) 410-1811 or by email at tim.hussey@ebctpa.com.

Q&A

Bringing you answers to tough questions

What other measures can be taken in conjunction with wellness programs to help reduce costs related to health care, absenteeism and lack of productivity?

Providing guidance, encouragement and information to employees regarding weight management, smoking cessation, fitness and exercise, prenatal and postnatal care and other wellness-related subjects is a great start. But it is important to help employees address the full array of issues that confront them so they can lead healthy and balanced lives.

Employee Assistance Programs (EAPs), which were introduced in the 1970's to help employees deal with alcoholism and drugs, now offer resources for stress management, depression, family and marital issues, legal problems, financial planning, and child and elder care. EAPs are currently being integrated in some wellness programs and vice versa.

All-around employee wellness is vital to the health of a company and taking steps to address their mental and emotional well-being are equally important as their physical condition.

In The Workplace

Offering CDHPs is Just the First Step

According to a recent survey that polled nearly 10,000 employers representing 1.5 million workers, 5.8 percent of employers provide Consumer Directed Health Plans (CDHPs), up 2.6 percent from last year. 3.4 percent of all covered workers are enrolled in CDHPs, up from 1.9 percent in 2005. The average employer contribution to health reimbursement arrangements was \$1,033 for single coverage and \$1,965 for family coverage, while the average employer contribution to health savings accounts was \$938 for single coverage and \$1,533 for family coverage.

Although the number of employers offering CDHPs is on the rise, a large number will neglect offering enough consumer tools and incentives to encourage quality employee participation. Financial incentives are the best way to make employees become active participants in their own care. Enrollment commu-

nication, provider transparency, a corporate culture of health and online tools that assist with plan navigation are also crucial to a CDHPs success.

Small steps go a long way in the mind of employees. For example, when offering health savings accounts, it is important that employees fully understand the tax implications and how to properly indicate their HSA withdrawals on their tax forms. HSA users must file a special form with their 1040 return.

The key to success in consumer-directed health plans is producing new, healthy behavior in employees. No plan design can help a company that lacks an open line of communication with their employees and fails to put financial incentives in place to change attitudes. Time and effort must be devoted by both employers and employees in learning how CDHPs can work best for them.



TRENDS *Latest Happenings In Today's World*

Taking Benefits Up a Notch

Results of a recent survey by Harris Interactive and Kronos are becoming a "wake up call" for employers. It seems that one in five employees is actively seeking a new job. These findings are prompting employers to examine what benefits employees really want.

Topping workers wish lists are competitive salaries, flexible schedules, bonus

programs and most of all, better health coverage. About 78% of workers surveyed said their motivation would increase if their employer offered more benefits.

With gas prices creeping up to record highs, employers are also beginning to offer commuter benefits. Commuting to work is a necessary cost of employment and it's a burden that has become a chief concern for the nation's workforce.



CFOs Looking For More Data

In today's world of rising health care costs, CFOs are searching for concrete numbers that explain the impact of ill health on benefit costs, job focus, absenteeism and the bottom line. They see the numbers that show their company is struggling with growing costs, but now they want to understand what HR professionals are doing as a solution. Most CFOs don't see reports on absenteeism and the



BENEFIT BEAT

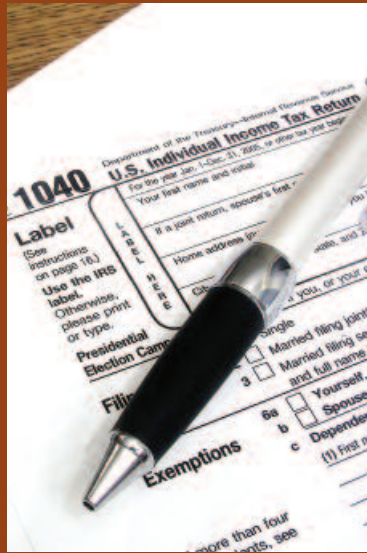
Keeping An Eye on What's Happening

Taxes Hurting Disease Management

For benefit managers designing disease management programs, acronyms such as HIPAA, COBRA and ADA can be scary. However, "taxes" are the most common problem for disease management and wellness programs. Often, it is lack of the necessary infrastructure to properly address tax issues associated with disease management and wellness incentives that can cause the confusion.

Offering incentives that are not health-related for things like completing health risk assessments or joining a gym are what most often cause tax issues. Cash payments are taxable and subject to withholding, and gift certificates are usually taxable and subject to withholding.

However, health-related incentives, such as contributions to health savings accounts, flexible spending accounts and health reimbursement arrangements, are generally non-taxable.



Pension Promises Kept?

Hundreds of billions of dollars are coming due over the next three decades to the estimated 24.5 million active and retired public employees. The cost of providing these promised health care benefits alongside pension plans will threaten some local governments with bankruptcy and all but guarantee cuts in services like public safety and education.

Generous retirement benefits for public employees were often given in lieu of salary increases. The long-term financial consequences of these decisions were not taken into consideration and now city and state agencies are already struggling to fund their pension obligations. When new disclosure rules from the Government Accounting Standards Board take effect in 2008, taxpayers will see for the first time how much they're paying to provide these benefits to state and local employees.

Breast Cancer Awareness Your Best Defense

The best way to detect breast cancer in its earliest stages is to routinely check your breasts for signs and symptoms of the disease. There are three basic methods:

Mammograms are X-ray pictures of the breast. They can detect breast cancer in its earliest stages, even before a lump can be felt. All women 40 and older should have a mammogram every year. If you are younger than 40 with either a family history of breast cancer or other concerns about personal risk, talk with your health care provider about risk assessment, when to start getting mammograms and how often to have them.

Clinical breast exam is performed by a health care provider who carefully checks your breasts and underarm areas for any lumps or changes that may be present. Many women have a clinical breast exam performed when they get their Pap test. Women should have a clinical breast exam at least every 3 years between the ages of 20 and 39 and every year after 40.

Breast self-exam (BSE) involves two main steps, looking at and feeling your breasts for any change from normal. If you notice any change in the normal look or feel of your breasts, see your health care provider. All women should perform monthly BSE by age 20. BSE should be done once a month, a few days after the last day of your period. If you no longer have periods, do BSE on the same day each month. At your next appointment, ask your health care provider to show you the steps for BSE.

[Taken from the Susan G. Komen Breast Cancer Foundation website www.komen.org]

financial impact those missed hours of work have on the company. Hard data that shows the value of health and wellness programs to their companies and the business impact of a healthy workforce could be the way to open dialogue about getting the necessary funding for health programs. It's becoming essential to take the conversation away from the cost of health care and shift it to the value of a healthy workforce.

Dental Benefits Expanding

Mounting evidence which links poor oral hygiene to a range of expensive medical problems is prompting health plans to begin covering more dental treatments and preventive services. Paying for certain services now can reduce the incidence of other health problems down the road. There are a number of studies suggesting that early prevention and treatment of gum disease may result in significantly

improved outcomes for pregnancy, heart disease and diabetes. Health plans are expanding dental benefits such as an additional third cleaning per year, scaling and root planning, prescription mouth washes, periodontal maintenance, and tooth sealants and varnishes for adults at risk for gum disease. If these services help the health of an employee or dependent improve, there will be an overall reduction in costs.





DID YOU KNOW? *New Ideas for Healthy Consumers*

The Value Of Sleep

The price paid for not getting enough sleep can be costly, not just in lost productivity, but also in terms of our health and well-being. Sleep is necessary for daily functionality, as well as prolonged good health. When surveyed, people who have trouble getting enough sleep reported greater difficulty concentrating, accomplishing required duties and handling minor irritants.



Sleep is important because it allows our bodies to restore the energy spent during our days. In general, try to build time for eight hours of sleep each day into your schedule and stick to it as often as possible. Following are a few other sleep tips (from the National Sleep Foundation) that may be useful:

- *Avoid caffeine, nicotine and alcohol in the late afternoon and evening.*
- *Exercise regularly, but do so at least three hours before bedtime.*
- *Establish a regular bedtime routine.*
- *Try to clear your mind; don't use bed time to solve daily problems.*

Closed-Heart Surgery

Every year about 50,000 people in the U.S. have open-heart surgery. Thousands more are turned away because they are deemed too ill to survive. Even the best patients spend a week in the hospital, requiring up to three months for full recuperation.

The need for a less invasive alternative is growing. A few hospitals in the U.S., Canada and Europe are experimenting with a minimally invasive valve replacement, in which doctors do not remove the diseased valve. Instead, they prop the valve open and wedge an artificial one into the rigid doorway.

Doctors are experimenting with threading the valve through a leg artery or through the ribs and up to the heart. The procedure comes with significant risks and, for now, the only patients who qualify are too sick for regular valve replacement. The bigger challenge will

be whether to expand the studies to include patients who could survive open-heart valve replacement but want to avoid its rigors. The hope is that one day, replacing a heart valve could become almost an overnight procedure.

Disability Education Needed

Disability insurance prepares workers for the financial fallout from a disabling illness or injury. It also protects workers with planned leaves, such as surgery or maternity leave. However, American workers appear to be out of touch with just how much disability insurance will cover.

A recent poll revealed that while the majority of workers understand some level of disability income protection is necessary, nearly two-thirds of these workers remain uninsured. Given such a clear need, employers are missing a hidden gem for their benefits packages. Meanwhile, workers are overlooking a key aspect of financial planning.

Please Contact Us: This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions which may impact your personal health. Talk to your benefits administrator before implementing strategies which may impact your organization's employee benefit objectives.

Special Notice: A brief feature in the Summer 2006 newsletter entitled A Warning On Plastics refers to the release of cancer-causing dioxin chemicals from plastics into foods and beverages. Rolf Halden, PhD, PE, assistant professor at the John Hopkins Bloomberg School of Public Health, has noted that there are limited levels dioxins in plastics and there is no public risk to the freezing or heating of plastics.

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